

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 PM-04 H-01 INR-07  
L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00  
SSO-00 USIE-00 INRE-00 ACDA-07 TRSE-00 EB-08  
IGA-02 OMB-01 A-01 OC-06 CCO-00 /077 W  
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O P 271356Z APR 77  
FM AMEMBASSY ATHENS  
TO SECSTATE WASHDC IMMEDIATE 229  
SECDEF WASHDC IMMEDIATE  
INFO JCS WASHDC IMMEDIATE  
AMEMBASSY ANKARA  
USMISSION NATO PRIORITY  
USNMR SHAPE PRIORITY  
USDELMC PRIORITY  
USCINCEUR PRIORITY  
CINCUSNAVEUR PRIORITY  
CINCUSAFE RAMSTEIN PRIORITY  
USDOCOSOUTH NAPLES PRIORITY  
DIRNSA PRIORITY

S E C R E T SECTION 1 OF 2 ATHENS 3845

E.O. 11652: GDS  
TAGS: MARR, PFOR, GR, US  
SUBJECT: US-GREEK DEFENSE COOPERATION DISCUSSIONS: STATUS AND  
ASSESSMENT AS OF APRIL 27

1. THERE FOLLOWS A STATUS REPORT AND ASSESSMENT OF WHERE  
WE STAND IN THIS ROUND OF DCA NEGOTIATIONS SINCE THEY  
RESUMED TWO WEEKS AGO.

2. FOLLOWING THE PRELIMINARY MEETINGS ON APRIL 13 AND 14,  
THE U.S. TEAM INITIALLY ESTABLISHED FOR ITSELF A THREE-WEEK  
WORK PROGRAM IN THREE PHASES: (A) GENERAL DISCUSSIONS TO  
REACH CONCEPTUAL AGREEMENT ON KEY REMAINING ISSUES; (B)

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FOLLOW-ON DISCUSSIONS, WHICH COULD INCLUDE ADDITIONAL TEAM  
MEMBERS ON BOTH SIDES, TO IRON OUT DETAILS; AND (C) A JOINT  
DRAFTING EFFORT TO DOCUMENT ANY AGREEMENTS REACHED.

3. AFTER THE FIRST SEVERAL MEETINGS OF THE WORKING GROUP,  
MOST INDICATORS POINTED TO A POSSIBILITY OF WIINDING UP MUCH  
OF THESE NEGOTIATIONS WITHIN THIS PERIOD, EVEN THOUGH OUR

OPTIMISM WAS (AND STILL IS) TEMPERED BY RECOLLECTIONS OF FRUSTRATING EXPERIENCES DURING PREVIOUS ROUNDS. AT THIS POINT, EVEN THOUGH NEGOTIATIONS CONTINUE ON THE UPBEAT, WE BELIEVE THAT DISCUSSION SHOULD EXTEND BEYOND OUR INITIAL TIMETABLE. THIS IS DUE TO THREE REASONS: (A) GREEK HESITANCY TO AGREE CONCEPTUALLY ON SOME ISSUES UNTIL THE U.S. REVEALED ITS POSITIONS ON OTHERS; (B) STANDSTILL ON THE NEA MAKRI/DCS ISSUE; AND (C) INABILITY OF THE U.S. SIDE TO PURSUE THE AIRBORNE RECONNAISSANCE ASSISTANCE ISSUE WITHOUT WASHINGTON INSTRUCTIONS.

4. THE FIRST MAJOR MILESTONE IN THIS ROUND WAS REACHED ON APRIL 26, WHEN PRIME MINISTER CARAMANLIS REVIEWED PROGRESS TO DATE WITH HIS INNER CABINET AND PROVIDED GUIDANCE FOR A FORMAL GREEK RESPONSE TO U.S. POSITIONS SET FORTH SO FAR. FOLLOWING ARE THOSE POSITIONS ON THE EIGHT KEY ISSUES AS PRESENTED AT THE WORKING GROUP MEETING LATER THAT DAY. OUR COMMENTS ARE IN PARENTHESES.

A. GENERAL ACCESS. THE THE U.S. WITHDRAWAL OF ITS REQUIREMENT FOR A GENERAL ACCESS PROVISION, THERE IS NO NEED FOR ANY MENTION OF "DIPLOMATIC CLEARANCE" IN THE DCA PACKAGE. A MUTUALLY AGREEABLE DATE WILL BE SET LATER FOR THE CONCLUSION OF A TECHNICAL ARRANGEMENT COVERING U.S. OVERFLIGHT AND LANDING IN GREECE. THE GREEK SIDE WILL APPROACH THIS LATTER EFFORT WITH FLEXIBILITY AND IN A SPIRIT REFLECTING A DESIRE TO FACILITATE U.S. REQUIREMENTS.

B. SOUDA. THE QUESTIONS OF THE U.S. SORTIE LEVEL AND COST  
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SHARING ARRANGEMENTS ARE "INDISSOLUBLY LINKED". ONE HUNDRED AND TWENTY HELICOPTER SORTIES WILL BE AUTHORIZED IN ADDITION TO THE 219ALREADY AGREED FOR FIXED WING AIRCRAFT, PROVIDED THE U.S. ACCEPTS THE GREEK COST SHARING FORMULA AND AGREES TO ADJUST ITS FLIGHT OPERATIONS TO MINIMIZE INTERFERENCE WITH GREEK AIR ACTIVITIES. (U.S. SIDE REITERATED ITS WILLINGNESS TO ACCEPT A "FAIR AND EQUITABLE" COST SHARING ARRANGEMENT AND RECALLED THAT CLARIFICATION OF THE PROPOSED FORMULA WAS NEEDED. GREEKS SAID THIS CLARIFICATION WOULD BE FORTHCOMING. SO FAR, THEY HAVE NOT GIVEN US ANY INDICATION THAT THEY ARE IN ABSOLUTE CONCRETE ON THE ELEMENTS OF THEIR FORMULA. THUS, GREEK FLEXIBILITY, IF ANY, REMAINS TO BE TESTED IN MORE DETAILED DISCUSSIONS.)

C. HELLENIKON. OFFICIAL GREEK POSITION IS THAT THE U.S. PERSONNEL LEVEL SHOULD NOT EXCEED 1,400. WHETHER TO SPECIFY THIS EXACT NUMBER IN THE AGREEMENT OR TO USE A LOWER FIGURE SUPPLEMENTED BY A CLASSIFIED LETTER PROVIDING AN INCREASE UP TO 1,400 IS STILL UNDER CONSIDERATION, ALTHOUGH GREEK

OFFICIALS ARE LANING TOWARD THE LATTER FORMULATION. DEPENDENT SUPPORT FACILITIES, EXCEPT THOSE WHICH ARE "ESSENTIAL", MUST BE RELOCATED OFF-BASE WITHIN AREASONABLE TIME. WITHIN THIS GENERAL CONCEPT, THE GREEK SIDE IS PREPARED TO BE REASONABLE AND FLEXIBLE. (UNDER PROBING, GREEKS HINTEDSTRONGLY THAT, WHILE THEY MIGHT BE ABLE TO SHOW FURTHER FLEXIBILITY ON THE PERSONNEL LEVEL, THEY PREFERRED THE U.S. FORMALLY TO ACCEPT 1,400 FOR PRESENTATIONAL PURPOSES AND THEN EXCEED THIS NUMBER BY 52 IN ACTUAL PRACTICE. OUR PREFERENCE IS TO TRY TO "SQUEEZE" OUT AND DOCUMENT THE ADDITIONAL 42 AUTHORIZATIONS BEFORE WE CONSIDER THE ALTERNATIVE THEY SUGGEST.)

D. INTELLIGENCE ISSUES (MOU). THE GOG ACCEPTS THE U.S. POSITION -- TRANSPARENT WALL, REMOTE MONITORING DEVICE, AND ACCESS LIMITED TO GREEK INSTALLATION COMMANDER IN ACCORDANCE WITH COMMAND AND CONTROL APPENDIX. (GREEKS DID MAKE ONE LAST ATTEMPT TO EXPAND THE LIMITATION ON ACCESS TO INCLUDE A  
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"SUBSTITUTE"FOR THE INSTALLATION COMMANDER, BUT, FACED WITH OUR CONTINUED RESISTANCE,THEY FELL OFF COMPLETELY.)

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O P 271356Z PAR 77  
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TO SECSTATE WASHDC IMMEDIATE 230  
SECDEF WASHDC IMMEDIATE  
INFO JCS WASHDC IMMEDIATE  
AMEMBASSY ANKARA PRIORITY  
USMISSION NATO PRIORITY  
USNMR SHAPE PRIORITY  
USDELMC PRIORITY  
USCINCEUR PRIORITY

CINCUSNAVEUR PRIORITY  
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S E C R E T SECTION 2 OF 2 ATHENS 3845

E. SUPERSESSION OF AGREEMENTS (ARTICLE XVII). GREEK PROPOSAL AT THE WORKING GROUP LEVEL, AS MODIFIED BY THE U.S. SIDE (ATHENS 3584 DTG 201620Z APR 77), IS ACCEPTED BY THE GOG. (WE ARE AWAITING WASHINGTON ACCEPTANCE OF THIS FORMULATION TO CLOSE THE ISSUE.)

F. PARITY IN PROCUREMENT. GREEK SIDE WILL SHORTLY PROVIDE A COUNTER-DRAFT OF THE PARITY IN PROCUREMENT NOTE WHEN WILL NOT CHANGE THE FORMAT OR TEXT, BUT WILL REVISE THE LIST OF TIEMS WHICH THE U.S. WILL SELL GREECE FROM STOCKS AND THROUGH NEW PROCUREMENT. THE REVISED LIST WILL BE REASONABLE AND SUBJECT TO NEGOTIATIONS. (UNTIL WE RECEIVE THEIR NEW DRAFT WE, OF COURSE, CANNOT PREDICT WHETHER THIS ISSUE WILL BECOME A SECRET

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STICKING POINT.)

G. NEA MAKRI/DCS. THE U.S. MUST GUARANTEE COST ESTIMATES FOR BOTH NEA MAKRI AND THE GREEKS DCS OR, AT LEAST IN THE CASE OF NEA MAKRI, PROVIDE EQUIPMENT ON A NO-COST LEASE BASIS. THE ONLY OTHER RECOURSE WOULD BE TO REOPEN THE SUBJECT OF JOINT PARTICIPATION, INCLUDING USE OF U.S. EQUIPMENT AT NEA MAKRI AND OF CIRCUITS IN THE U.S. DCS. IT IS UP TO THE U.S. TO FIND THE WAY TO RESOLVE THIS ISSUE AND, UNTIL THIS IS ACCOMPLISHED, THE GOG WILL NOT AGREE TO A FINAL DCA. (AS WE PREDICTED --ATHENS 3778, DTG 261010Z APR 77 -- THIS IS A CRUNCH ISSUE WITH THE GOG. GREEK REJECTION OF OUROFER TO INCLUDE COMMUNICATIONS EQUIPMENT IN THE PARITY NOTE MAKES US DOUBT THAT IT CAN BE RESOLVED WITH SUPERFICIAL TREATMENT TO SATISFY ONLY PRESENTATIONAL REQUIREMENTS.)

H. AIRBORNE RECONNAISSANCE ASSISTANCE. IN THE ABSENCE OF A DEFINITIVE STATEMENT BY THE U.S. SIDE TO THE CONTRARY, THE GOG IS UNDER THE IMPRESSION THAT THE U.S. HAS REAFFIRMED ITS PREVIOUS AGREEMENT IN PRINCIPLE TO CONTRIBUTE \$5.5 MILLION TO THE DEVELOPMENT CAPABILITY, WITH THE GREEKS PAYING THE BALANCE. THE GREEK SIDE HAS NO INTENTION OF ASKING FOR COST GUARANTEES SUCH AS THEY WANT FOR NEA MAKRI AD THE DCS. (THE U.S. SIDE ONCE AGAIN WAS OBLIGED TO SIDE-STEP A DIRECT RESPONSE TO THE ABOVE GREEK VIEW. WE ALSO REFLECTED RENEWED GREEK EFFORTS TO ENGAGE US IN A CONCEPTUAL DISCUSSION ON HOW THE U.S. PLANNED TO DOCUMENT AND IMPLEMENT ASSISTANCE ARRANGEMENTS. WE HAVE REACHED THE END OF THE STRING IN OUR HEDGING TO AVOID SUBSTANTIVE

DISCUSSIONS.)

5. DURING THIS MEETING, GREEK SPOKESMAN MACHERITSAS ALSO MADE IT CLEAR THAT HIS SIDE DOES NOT WISH TO PROCEED WITH DETAILED DISCUSSIONS OR FINAL DRAFTING UNTIL CONCEPTUAL AGREEMENT HAS BEEN REACHED ON ALL ISSUES (READ SOUDA COST SHARING AND AIRBORNE RECONNAISSANCE ASSISTANCE), WITH THE POSSIBLE EXCEPTION OF NEA MAKRI/DCS. HE EXPRESSED GREEK EXPECTATIONS

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THAT THE U.S. SIDE WOULD BE PREPARED TO CONCLUDE THIS CONCEPTUAL PHASE THIS WEEK. MACHERITSAS ASKED THAT A WORKING GROUP MEETING NOT BE SCHEDULED FOR APRIL 27 SO THAT THE U.S. SIDE COULD REFLECT ON THE GREEK PRESENTATION AND DECIDE ON ITS RESPONSE.

6. WE ARE WELL SATISFIED WITH PROGRESS TO DATE AND BELIEVE THAT CONCEPTUAL AGREEMENTS SO FAR HAVE MOVED US SIGNIFICANTLY CLOSER TO A FINAL AGREEMENT: GENERAL ACCESS; INTELLIGENCE MOU; AND, IF WASHINGTON AGREES WITH TEXT WORKED OUT AT THE TABLE, SUPERSESSION OF AGREEMENTS HAVE BEEN CONCEPTUALLY SETTLED AND OUR DESIRED PERSONNEL LEVEL AT HELLENIKON AND SORTIE LEVEL AT SOUDA HAVE BEEN NEARLY ACHIEVED. NEVERTHELESS, WE DO NOT UNDERESTIMATE THE POTENTIAL DIFFICULTIES ON THE REMAINING ISSUES, NOR THE WORK THAT LIES AHEAD IN TRANSLATING CONCEPTUAL AGREEMENTS INTO HARD TEXT.

7. THE MOMENTUM ACHIEVED DURING THE ROUND CONTINUES. HOWEVER, ANNOUNCEMENT OF THE U.S. ADMINISTRATION'S SECURITY ASSISTANCE POLICY TOWARD GREECE AND TURKEY DID APPEAR TO HAVE A DAMPENING IMPACT ON THE INITIAL NEGOTIATING ENVIRONMENT. REVELATIONS IN THE GREEK PRESS OF THE PRESENT OF WASHINGTON EXPERTS FOR "SECRET" BASE NEGOTIATIONS MAY ALSO HAVE MODERATED WHAT WE HAD BEEN GIVEN TO UNDERSTAND WAS CARAMANLIS' DESIRE TO WIND UP THESE NEGOTIATIONS QUICKLY. IN ANY EVENT, THE BALL IS NOW CLEARLY IN OUR COURT, AND OUR SUCCESS IN SUSTAINING WHAT MOMENTUM IS LEFT (OR INCREASING THE TEMPO) WILL DEPEND ON HOW FAST WE CAN START CONCEPTUAL DISCUSSIONS ON THE AIRBORNE RECONNAISSANCE ISSUE AND REACH AN ACCORD ON SOUDA COST SHARING.

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## Message Attributes

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